

DEPARTMENT OF TRANSPORTATION

AUDITS AND INVESTIGATIONS

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June 18, 2014

Mr. Isaac Gindi
Chief Financial Officer
Department of Public Works
County of Los Angeles
P.O. Box 1460
Alhambra, CA 91802-1460

Dear Mr. Gindi:

At the request of the California Department of Transportation (Caltrans), the State Controller's Office (SCO) conducted an audit of the Indirect Cost Rate Proposals (ICRPs) for fiscal year (FY) 2011/2012 and FY 2012/2013 for the County of Los Angeles, Department of Public Works, (County) to determine whether the ICRPs were presented in accordance with Title 2, Code of Federal Regulations (CFR), Part 225.

Based on audit work performed by the SCO, we determined the County's ICRPs are presented in accordance with Title 2 CFR, Part 225. The County is authorized to use the following rates for FY 2011/2012 and FY 2012/2013:

<u>Divisions</u>	<u>FY 2011/20012</u>	<u>FY 2012/2013</u>
Departmental Overhead	63.070%	55.815%
Watershed	69.492%	69.507%
Aviation	61.274%	101.673%
Water Resources	68.524%	65.563%
Environmental Programs	73.612%	79.380%
IT Systems & Applications	67.604%	57.591%
Survey/Mapping and Property Management	108.581%	79.467%
Geotechnical and Materials Engineering	157.630%	155.435%
Building and Safety	78.066%	69.815%
Road Maintenance	97.476%	86.068%
Flood Maintenance	83.859%	69.090%
Waterworks	72.152%	62.478%
Design	88.392%	76.684%
Construction	111.017%	97.661%
Traffic & Lighting	96.821%	86.228%

Mr. Isaac Gindi
June 18, 2014
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Land Development	106.171%	88.951%
Sewer Maintenance	68.120%	57.887%
Architectural Engineering	148.067%	114.948%
Project Management I	147.640%	91.778%
Project Management II	110.843%	131.782%
Public Relations	166.920%	88.661%

The ICRPs are approved for billing and reimbursement purposes, based on the understanding that a carry-forward provision applies and no adjustment will be made to previously approved rates.

This report is intended solely for the information of the County, Caltrans Management, the California Transportation Commission, and the Federal Highway Administration (FHWA). However, this report is a matter of public record and its distribution is not limited. In addition, this report will be placed on the Caltrans website.

Please retain a copy of this letter with your ICRP. Copies of this letter were sent to the Caltrans District 7, the Caltrans Division of Accounting, and FHWA.

If you have any questions, please call Alice Lee, Audit Manager, at (916) 323-7953.

Sincerely,



ZILAN CHEN, Chief
External Audits-Local Governments
Audits and Investigations

Enclosure:

ICRP Audit Report of the County of Los Angeles, Department of Public Works for
FY 2011/2012 and FY 2012/2013 prepared by the State Controller's Office

- c: Karen Choi, Accounting Officer III, Department of Public Works, County of Los Angeles
Janice Richard, Director, Financial Services, Federal Highway Administration
Rodney Whitfield, Financial Manager, Federal Highway Administration
Jermaine Hannon, Director, Planning and Air Quality, Federal Highway Administration
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P1590-0338 and P1590-0457



JOHN CHIANG
California State Controller

May 9, 2014

Zilan Chen, Chief
External Audits-Local Governments
Audits and Investigations, MS 2
California Department of Transportation
1304 O Street, Suite 200, MS 2
Sacramento, CA 95814

Dear Ms. Chen:

The State Controller's Office completed an audit of the Los Angeles County Department of Public Works (DPW) indirect cost rate proposal (ICRP) for fiscal year (FY) 2011-12 and FY 2012-13. For each fiscal year, the county proposed, based on estimated indirect and direct costs, 21 distinct rates representing all divisions within the DPW. Proposed rates ranged from 56% to 167%.

Our audit determined that (1) the proposed rates were in compliance with the cost principles prescribed in Title 2 of the *Code of Federal Regulations*, Part 225; (2) the ICRPs were in compliance with Caltrans' Local Programs Procedures Manual, 04-10; and (3) the county's cost accounting system was accumulating and segregating reasonable, allocable, and allowable costs.

If you have any questions, please contact Andrew Finlayson, Chief, State Agency Audits Bureau, by phone at (916) 324-6310.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey V. Brownfield".

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

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Audit Report

Summary

The State Controller's Office completed an audit of the Los Angeles County Department of Public Works (DPW) indirect cost rate proposal (ICRP) for fiscal year (FY) 2011-12 and FY 2012-13. The county proposed, based on estimated indirect and direct costs, 21 distinct rates representing all divisions within the DPW. Proposed rates ranged from 56% to 167%.

The purpose of the audit was to determine whether (1) the proposed rates were in compliance with the cost principles prescribed in Title 2, *Code of Federal Regulations*, Part 225 (2 CFR 225); (2) the ICRPs were in compliance with California Department of Transportation (Caltrans) Local Programs Procedures Manual (LPP), 04-10; and (3) the county's cost accounting system was accumulating and segregating reasonable, allocable, and allowable costs.

Our audit determined that (1) the proposed rates were in compliance with the cost principles prescribed in 2 CFR 225; (2) the ICRPs were in compliance with Caltrans Local Assistance Procedures Manual, 04-10; and (3) the county's cost accounting system was accumulating and segregating reasonable, allocable, and allowable costs.

Background

The Los Angeles County Department of Public Works has approximately 3,400 employees in more than 500 job classifications, including professional, technical, clerical, and skilled crafts. The DPW's annual operating budget of \$2 billion is funded by restricted revenues such as gas excise and sales tax, benefit assessment, water and sewer sales, user fees, and contract cities revenues. Headquartered in Alhambra, California, the DPW has 77 field facilities throughout the unincorporated Los Angeles County area and contract cities. The DPW functions are grouped into 21 divisions, including a department-wide administration function. The county proposed the following indirect cost rates for each of the DPW function groups:

Divisions (function groups)	FY 2011-12	FY 2012-13
1. Departmental Overhead	63.070%	55.815%
2. Watershed	69.492%	69.507%
3. Aviation	61.274%	101.673%
4. Water Resources	68.524%	65.563%
5. Environmental Program	73.612%	79.380%
6. Information Technology Systems and Applications	67.604%	57.591%
7. Survey Mapping and Property Management	108.581%	79.467%
8. Geotechnical and Materials Engineering	157.630%	155.435%
9. Building and Safety	78.066%	69.815%
10. Road Maintenance	97.476%	86.068%
11. Flood Maintenance	83.859%	69.090%
12. Waterworks	72.152%	62.478%
13. Design	88.392%	76.684%
14. Construction	111.017%	97.661%
15. Traffic and Lighting	96.821%	86.228%

Divisions (function groups)	FY 2011-12	FY 2012-13
16. Land Development	106.171%	88.951%
17. Sewer Maintenance	68.120%	57.887%
18. Architectural Engineering	148.067%	114.948%
19. Program Management I	147.640%	91.778%
20. Program Management II	110.843%	131.782%
21. Public Relations Group	166.920%	88.661%

The audit was performed by the SCO on behalf of Caltrans (Audit Request No. P1590-0338 and No. P1590-0457). The authority to conduct this audit is given by:

- Interagency Agreement No. 77A0034, dated March 31, 2010, between the SCO and Caltrans, which provides that the SCO will perform audits of proposed ICRPs submitted to Caltrans from local government agencies to ensure compliance with 2 CFR 225 (formerly Office of Management and Budget Circular A-87) and LPP 04-10.
- Government Code section 12410, which states, "The Controller shall superintend the fiscal concerns of the state. The Controller shall audit all claims against the state and may audit the disbursement of any money, for correctness, legality, and for sufficient provisions of law for payment."

Objectives, Scope, and Methodology

The scope of the audit was limited to the select financial and compliance activities. The audit consisted of recalculating the ICRP and making inquiries of department personnel. The audit also included tests of individual accounts in the general ledger and supporting documentation to assess allowability, allocability, and reasonableness of costs and an assessment of the internal control system related to the ICRP for FY 2011-12 and 2012-13. Changes to the financial management system subsequent to FY 2012-13 were not tested and, accordingly, our conclusion does not pertain to changes arising after this fiscal year.

We conducted this performance audit in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was conducted to determine whether (1) the county's ICRP was presented in compliance with the cost principles prescribed in 2 CFR 225; (2) the ICRP was in compliance with the requirements for ICRP preparation and application identified in the Caltrans LPP 04-10; (3) and accounting system is accumulating and segregating reasonable, allowable, and allocable costs.

We did not audit Los Angeles County's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that the proposed ICRP was in accordance with the 2 CFR 225 and LPP 04-10. In addition to developing

appropriate auditing procedures, our review of internal control was limited to gaining an understanding of the transaction flow, accounting system, and applicable controls to determine the department's ability to accumulate and segregate reasonable, allowable, and allocable indirect and direct costs.

Conclusion

The State Controller's Office completed an audit of the Los Angeles County Department of Public Works' ICRP for FY 2011-12 and FY 2012-13. The county proposed, based on estimated indirect and direct costs, 21 distinct rates representing all divisions within the DPW. Proposed rates ranged from 56% to 167%.

Our audit determined that (1) the proposed rates were in compliance with the cost principles prescribed in 2 CFR 225; (2) the ICRPs were in compliance with Caltrans Local Programs Procedures Manual, 04-10; and (3) the county's cost accounting system was accumulating and segregating reasonable, allocable, and allowable costs.

Views of Responsible Officials

We discussed our audit results with the county's representatives during an exit conference conducted on January 13, 2014. Minh Lam, Internal Auditor and Karen Choi, Accounting Officer III, agreed with the audit results. We advised Mr. Lam and Ms. Choi that we will issue the audit report as final to Caltrans.

Restricted Use

This report is solely for the information and use of Los Angeles County, the California Department of Transportation, and the SCO. It is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.



JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

May 9, 2014

**Schedule 1—
Summary of Proposed and
Audited Indirect Cost Rates by Division
July 1, 2011, through June 30, 2013**

Divisions (Functions)	Indirect Cost Rates		Reference
	Fiscal Year		
	2011-12	2012-13	
Departmental Overhead	63.070%	55.815%	Schedule 1A
Watershed	69.492%	69.507%	Schedule 1B
Aviation	61.274%	101.673%	Schedule 1C
Water Resource	68.524%	65.563%	Schedule 1D
Environmental Programs	73.612%	79.380%	Schedule 1E
Information Technology Systems and Applications	67.604%	57.591%	Schedule 1F
Survey Mapping and Property Management	108.581%	79.467%	Schedule 1G
Geotechnical and Materials Engineering	157.630%	155.435%	Schedule 1H
Building and Safety	78.066%	69.815%	Schedule 1I
Road Maintenance	97.476%	86.068%	Schedule 1J
Flood Maintenance	83.859%	69.090%	Schedule 1K
Waterworks	72.152%	62.478%	Schedule 1L
Design	88.392%	76.684%	Schedule 1M
Construction	111.017%	97.661%	Schedule 1N
Traffic and Lighting	96.821%	86.228%	Schedule 1O
Land Development	106.171%	88.951%	Schedule 1P
Sewer Maintenance	68.120%	57.887%	Schedule 1Q
Architectural Engineering	148.067%	114.948%	Schedule 1R
Project Management I	147.640%	91.778%	Schedule 1S
Project Management II	110.843%	131.782%	Schedule 1T
Public Relations	166.920%	88.661%	Schedule 1U

**Schedule 1A—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Costs Rates
Departmental Overhead
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and wages	\$ 195,435,291	\$ 198,382,403
Less: Division indirect and salaries and wages	(23,572,541)	(22,697,218)
Unpaid employee benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(26,668,358)	(27,177,354)
Adjusted direct salaries and wages, net of employee benefits	<u>145,194,392</u>	<u>148,507,831</u>
Indirect costs:		
Salaries and wages	34,917,845	36,413,265
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	15,691,839	17,715,586
Services and supplies	19,950,372	19,429,058
Departmental carry-forward	4,789,211	864,460
Transportation allowance	(350)	(600)
Tuition reimbursement	236,072	9,886
Total indirect costs	<u>75,584,989</u>	<u>74,431,655</u>
Calculation of departmental overhead rate:		
Total indirect costs	75,584,989	74,431,655
Total direct costs	<u>145,194,392</u>	<u>148,507,831</u>
Departmental overhead rate	<u>52.058%</u>	<u>50.120%</u>
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>63.070%</u>	<u>55.815%</u>

**Schedule 1B—
Summary of Proposed and Audited Direct Costs
Indirect Costs, and Indirect Costs Rates
Watershed Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 6,703,051	\$ 7,132,599
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,040,129)</u>	<u>(1,103,367)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 5,662,922</u>	<u>\$ 6,029,232</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,066,187	\$ 1,130,076
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	479,137	549,799
Services and supplies	250,174	256,284
Divisional carry forward	<u>(1,431,815)</u>	<u>(1,110,655)</u>
Total indirect costs	<u>\$ 363,683</u>	<u>\$ 825,504</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 363,683	\$ 825,504
Total direct costs	<u>5,662,922</u>	<u>6,029,232</u>
Divisional overhead rate	6.422%	13.692%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>69.492%</u>	<u>69.507%</u>

**Schedule 1C—
Summary of Proposed and Audited Direct Cost,
Indirect Costs, and Indirect Cost Rates
Aviation Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 786,928	\$ 654,861
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(122,109)	(101,303)
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 664,819</u>	<u>\$ 553,558</u>
Indirect costs:		
Salaries and employee benefits	\$ 61,096	\$ 110,217
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	27,456	53,622
Services and supplies	22,611	32,432
Divisional carry forward	(123,101)	57,582
Total indirect costs	<u>\$ (11,938)</u>	<u>\$ 253,853</u>
Calculation of division overhead rate:		
Total indirect costs	\$ (11,938)	\$ 253,853
Total direct costs	<u>664,819</u>	<u>553,558</u>
Divisional overhead rate	-1.796%	45.858%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>61.274%</u>	<u>101.673%</u>

**Schedule 1D—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Water Resource Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 6,887,858	\$ 7,500,068
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,068,806)</u>	<u>(1,160,213)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 5,819,052</u>	<u>\$ 6,339,855</u>
Indirect costs:		
Salaries and employee benefits	\$ 723,787	\$ 795,822
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	325,265	387,179
Services and supplies	174,413	224,287
Divisional carry forward	<u>(906,109)</u>	<u>(789,284)</u>
Total indirect costs	<u>\$ 317,356</u>	<u>\$ 618,004</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 317,356	\$ 618,004
Total direct costs	<u>5,819,052</u>	<u>6,339,855</u>
Divisional overhead rate	5.454%	9.748%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>68.524%</u>	<u>65.563%</u>

**Schedule 1E—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Environmental Programs Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 7,655,873	\$ 7,716,249
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,187,980)</u>	<u>(1,193,654)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 6,467,893</u>	<u>\$ 6,522,595</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,111,510	\$ 1,220,474
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	499,505	593,779
Services and supplies	348,814	316,568
Divisional carry forward	<u>(1,278,006)</u>	<u>(593,772)</u>
Total indirect costs	<u>\$ 681,823</u>	<u>\$ 1,537,049</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 681,823	\$ 1,537,049
Total direct costs	<u>6,467,893</u>	<u>6,522,595</u>
Divisional overhead rate	10.542%	23.565%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>73.612%</u>	<u>79.380%</u>

**Schedule 1F—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Information Technology Systems and Applications Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 6,342,832	\$ 6,359,976
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(984,232)</u>	<u>(983,848)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 5,358,600</u>	<u>\$ 5,376,128</u>
Indirect costs:		
Salaries and employee benefits	\$ 37,187	\$ 35,018
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	16,712	17,037
Services and supplies	232,254	153,613
Divisional carry forward	<u>(43,169)</u>	<u>(110,197)</u>
Total indirect costs	<u>\$ 242,984</u>	<u>\$ 95,471</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 242,984	\$ 95,471
Total direct costs	<u>5,358,600</u>	<u>5,376,128</u>
Divisional overhead rate	4.534%	1.776%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>67.604%</u>	<u>57.591%</u>

**Schedule 1G—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Survey Mapping and Property Management Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 10,526,376	\$ 10,351,067
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,633,403)</u>	<u>(1,601,244)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 8,892,973</u>	<u>\$ 8,749,823</u>
Indirect costs:		
Salaries and employee benefits	\$ 2,614,562	\$ 2,250,868
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	1,174,966	1,095,081
Services and supplies	770,513	762,436
Divisional carry forward	<u>(512,767)</u>	<u>(2,038,858)</u>
Total indirect costs	<u>\$ 4,047,274</u>	<u>\$ 2,069,527</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 4,047,274	\$ 2,069,527
Total direct costs	<u>8,892,973</u>	<u>8,749,823</u>
Divisional overhead rate	45.511%	23.652%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>108.581%</u>	<u>79.467%</u>

**Schedule 1H—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Geotechnical and Materials Engineering
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 3,773,144	\$ 3,656,401
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(585,487)</u>	<u>(565,622)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 3,187,657</u>	<u>\$ 3,090,779</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,433,848	\$ 1,486,076
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	644,361	722,998
Services and supplies	536,596	490,105
Divisional carry forward	<u>399,434</u>	<u>379,855</u>
Total indirect costs	<u>\$ 3,014,239</u>	<u>\$ 3,079,034</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 3,014,239	\$ 3,079,034
Total direct costs	<u>3,187,657</u>	<u>3,090,779</u>
Divisional overhead rate	94.560%	99.620%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>157.630%</u>	<u>155.435%</u>

**Schedule II—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Building and Safety Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 12,334,224	\$ 11,412,081
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,913,932)</u>	<u>(1,765,376)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 10,420,292</u>	<u>\$ 9,646,705</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,116,245	\$ 939,513
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	501,633	457,087
Services and supplies	182,582	175,639
Divisional carry forward	<u>(237,818)</u>	<u>(221,684)</u>
Total indirect costs	<u>\$ 1,562,642</u>	<u>\$ 1,350,555</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 1,562,642	\$ 1,350,555
Total direct costs	<u>10,420,292</u>	<u>9,646,705</u>
Divisional overhead rate	14.996%	14.000%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>78.066%</u>	<u>69.815%</u>

**Schedule 1J—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Road Maintenance Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 21,269,527	\$ 23,115,058
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(3,300,444)	(3,575,752)
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 17,969,083</u>	<u>\$ 19,539,306</u>
Indirect costs:		
Salaries and employee benefits	\$ 4,019,556	\$ 3,878,840
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	1,806,360	1,887,114
Services and supplies	1,225,021	1,300,113
Divisional carry forward	(868,495)	(1,154,828)
Total indirect costs	<u>\$ 6,182,442</u>	<u>\$ 5,911,239</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 6,182,442	\$ 5,911,239
Total direct costs	<u>17,969,083</u>	<u>19,539,306</u>
Divisional overhead rate	34.406%	30.253%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>97.476%</u>	<u>86.068%</u>

**Schedule 1K—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Flood Maintenance Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 18,062,189	\$ 19,572,275
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(2,802,753)</u>	<u>(3,027,706)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 15,259,436</u>	<u>\$ 16,544,569</u>
Indirect costs:		
Salaries and employee benefits	\$ 2,267,836	\$ 2,343,671
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	1,019,150	1,140,231
Services and supplies	515,360	467,022
Divisional carry forward	<u>(630,059)</u>	<u>(1,754,684)</u>
Total indirect costs	<u>\$ 3,172,287</u>	<u>\$ 2,196,240</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 3,172,287	\$ 2,196,240
Total direct costs	<u>15,259,436</u>	<u>16,544,569</u>
Divisional overhead rate	<u>20.789%</u>	<u>13.275%</u>
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>83.859%</u>	<u>69.090%</u>

**Schedule 1L—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Waterworks Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 10,128,343	\$ 10,917,143
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,571,640)</u>	<u>(1,688,812)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 8,556,703</u>	<u>\$ 9,228,331</u>
Indirect costs:		
Salaries and employee benefits	\$ 507,151	\$ 429,934
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	227,910	209,169
Services and supplies	7,934	12,162
Divisional carry forward	<u>34,095</u>	<u>(36,356)</u>
Total indirect costs	<u>\$ 777,090</u>	<u>\$ 614,909</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 777,090	\$ 614,909
Total direct costs	<u>8,556,703</u>	<u>9,228,331</u>
Divisional overhead rate	9.082%	6.663%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>72.152%</u>	<u>62.478%</u>

**Schedule 1M—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Design Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 7,973,564	\$ 7,524,428
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,237,277)</u>	<u>(1,163,981)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 6,736,287</u>	<u>\$ 6,360,447</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,089,954	\$ 1,056,413
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	489,818	513,961
Services and supplies	521,331	473,374
Divisional carry forward	<u>(395,365)</u>	<u>(716,377)</u>
Total indirect costs	<u>\$ 1,705,738</u>	<u>\$ 1,327,371</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 1,705,738	\$ 1,327,371
Total direct costs	<u>6,736,287</u>	<u>6,360,447</u>
Divisional overhead rate	25.322%	20.869%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>88.392%</u>	<u>76.684%</u>

**Schedule 1N—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Construction Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 7,478,092	\$ 8,217,015
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(1,160,394)	(1,271,120)
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 6,317,698</u>	<u>\$ 6,945,895</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,664,424	\$ 1,719,580
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	747,980	836,601
Services and supplies	622,991	711,021
Divisional carry forward	(6,265)	(360,594)
Total indirect costs	<u>\$ 3,029,130</u>	<u>\$ 2,906,608</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 3,029,130	\$ 2,906,608
Total direct costs	<u>6,317,698</u>	<u>6,945,895</u>
Divisional overhead rate	47.947%	41.846%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>111.017%</u>	<u>97.661%</u>

**Schedule 10—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Traffic and Lighting Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 8,295,415	\$ 8,535,011
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(1,287,219)	(1,320,312)
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 7,008,196</u>	<u>\$ 7,214,699</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,273,231	\$ 1,324,252
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	572,181	644,268
Services and supplies	462,570	456,341
Divisional carry forward	57,379	(230,680)
Total indirect costs	<u>\$ 2,365,361</u>	<u>\$ 2,194,181</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 2,365,361	\$ 2,194,181
Total direct costs	<u>7,008,196</u>	<u>7,214,699</u>
Divisional overhead rate	33.751%	30.413%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>96.821%</u>	<u>86.228%</u>

**Schedule 1P—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Land Development Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 7,794,428	\$ 6,126,672
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(1,209,481)	(947,757)
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 6,584,947</u>	<u>\$ 5,178,915</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,625,017	\$ 1,297,785
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	730,271	631,392
Services and supplies	479,956	380,573
Divisional carry forward	2,953	(593,656)
Total indirect costs	<u>\$ 2,838,197</u>	<u>\$ 1,716,094</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 2,838,197	\$ 1,716,094
Total direct costs	<u>6,584,947</u>	<u>5,178,915</u>
Divisional overhead rate	43.101%	33.136%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>106.171%</u>	<u>88.951%</u>

**Schedule 1Q—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Sewer Maintenance Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 10,108,709	\$ 10,833,010
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(1,568,593)</u>	<u>(1,675,797)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 8,540,116</u>	<u>\$ 9,157,213</u>
Indirect costs:		
Salaries and employee benefits	\$ 507,614	\$ 512,530
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	228,118	249,354
Services and supplies	72,492	100,699
Divisional carry forward	<u>(376,964)</u>	<u>(672,890)</u>
Total indirect costs	<u>\$ 431,260</u>	<u>\$ 189,693</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 431,260	\$ 189,693
Total direct costs	<u>8,540,116</u>	<u>9,157,213</u>
Divisional overhead rate	5.050%	2.072%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>68.120%</u>	<u>57.887%</u>

**Schedule 1R—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Architectural Engineering Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 2,911,688	\$ 3,043,628
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(451,814)	(470,830)
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 2,459,874</u>	<u>\$ 2,572,798</u>
Indirect costs:		
Salaries and employee benefits	\$ 1,181,560	\$ 1,035,578
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	530,985	503,824
Services and supplies	210,417	240,821
Divisional carry forward	167,846	(258,857)
Total indirect costs	<u>\$ 2,090,808</u>	<u>\$ 1,521,366</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 2,090,808	\$ 1,521,366
Total direct costs	<u>2,459,874</u>	<u>2,572,798</u>
Divisional overhead rate	84.997%	59.133%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>148.067%</u>	<u>114.948%</u>

**Schedule 1S—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Project Management I Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 1,827,456	\$ 1,925,253
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(283,571)</u>	<u>(297,824)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 1,543,885</u>	<u>\$ 1,627,429</u>
Indirect costs:		
Salaries and employee benefits	\$ 713,590	\$ 541,118
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	320,682	263,262
Services and supplies	149,736	164,098
Divisional carry forward	<u>121,654</u>	<u>(383,201)</u>
Total indirect costs	<u>\$ 1,305,662</u>	<u>\$ 585,277</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 1,305,662	\$ 585,277
Total direct costs	<u>1,543,885</u>	<u>1,627,429</u>
Divisional overhead rate	84.570%	35.963%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>147.640%</u>	<u>91.778%</u>

**Schedule 1T—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Project Management II Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 1,642,852	\$ 1,660,534
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	<u>(254,925)</u>	<u>(256,874)</u>
Adjusted direct salaries and wages, net of employee benefits	<u>\$ 1,387,927</u>	<u>\$ 1,403,660</u>
Indirect costs:		
Salaries and employee benefits	\$ 435,342	\$ 458,926
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	195,640	223,274
Services and supplies	213,744	339,390
Divisional carry forward	<u>(181,678)</u>	<u>44,734</u>
Total indirect costs	<u>\$ 663,048</u>	<u>\$ 1,066,324</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 663,048	\$ 1,066,324
Total direct costs	<u>1,387,927</u>	<u>1,403,660</u>
Divisional overhead rate	47.773%	75.967%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>110.843%</u>	<u>131.782%</u>

**Schedule 1U—
Summary of Proposed and Audited Direct Costs,
Indirect Costs, and Indirect Cost Rates
Public Relations Division
July 1, 2011, through June 30, 2013**

Description of Cost	Fiscal Year	
	2011-12	2012-13
Direct costs:		
Salaries and benefits	\$ 406,284	\$ 446,545
Less: Unpaid benefits (at 18.3673% for FY 2011-12 and 18.3003% for FY 2012-13)	(63,044)	(69,078)
Adjusted direct salaries and wages, net of employee benefits	<u>\$343,240</u>	<u>\$377,467</u>
Indirect costs:		
Salaries and employee benefits	\$122,844	\$130,527
Employee benefits (at 44.9393% for FY 2011-12 and 48.6515% for FY 2012-13)	55,205	63,503
Services and supplies	117,930	74,224
Divisional carry forward	60,475	(144,273)
Total indirect costs	<u>\$ 356,454</u>	<u>\$ 123,981</u>
Calculation of division overhead rate:		
Total indirect costs	\$ 356,454	\$ 123,981
Total direct costs	<u>343,240</u>	<u>377,467</u>
Divisional overhead rate	103.850%	32.846%
Departmental overhead rate	52.058%	50.120%
Countywide overhead rate	<u>11.012%</u>	<u>5.695%</u>
Indirect cost rate	<u>166.920%</u>	<u>88.661%</u>